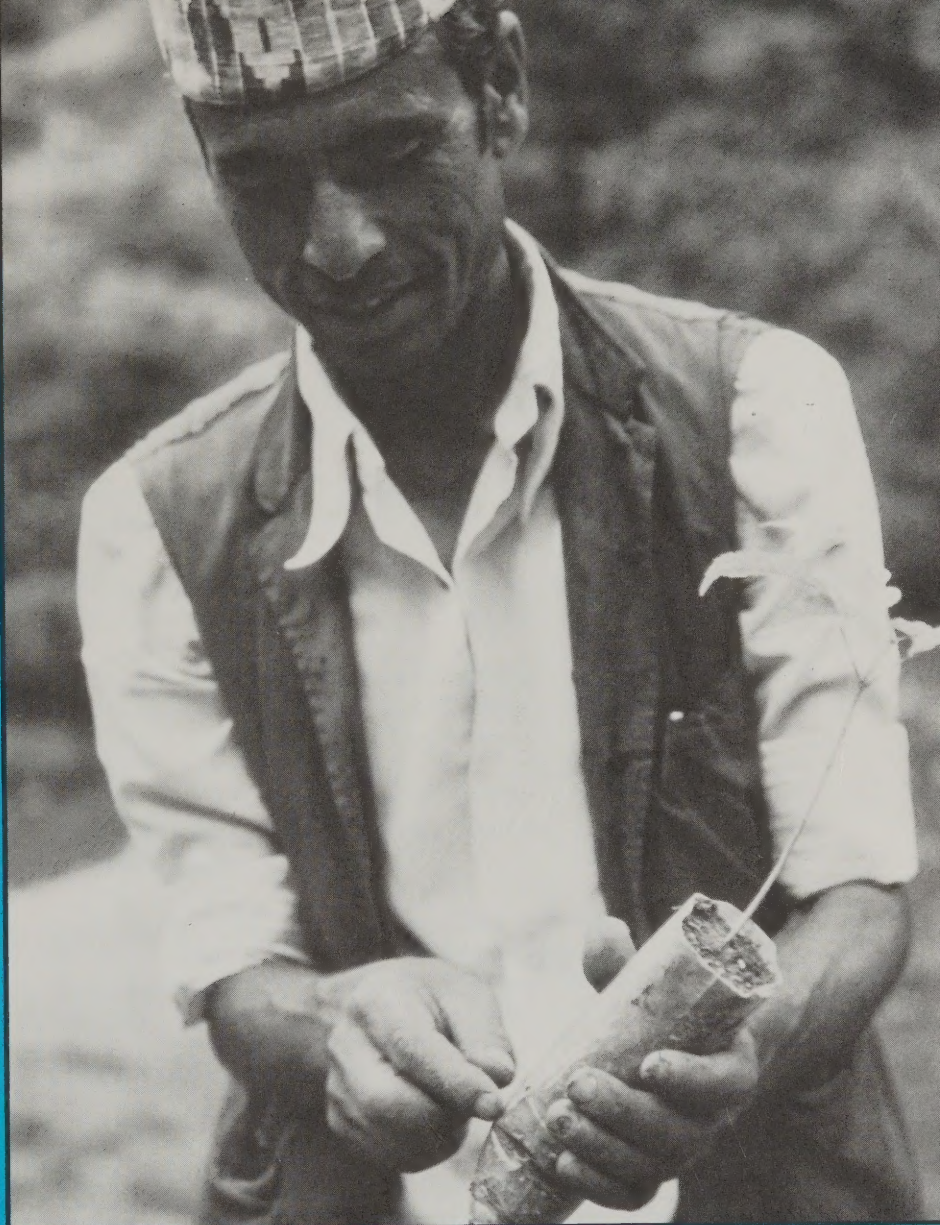
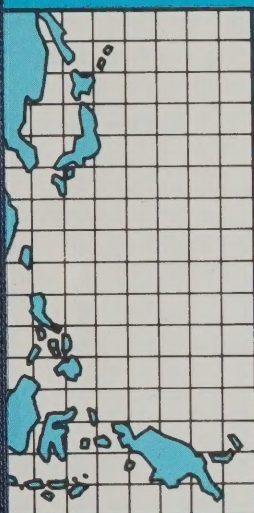


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Government
Publications



Country Profile

Nepal

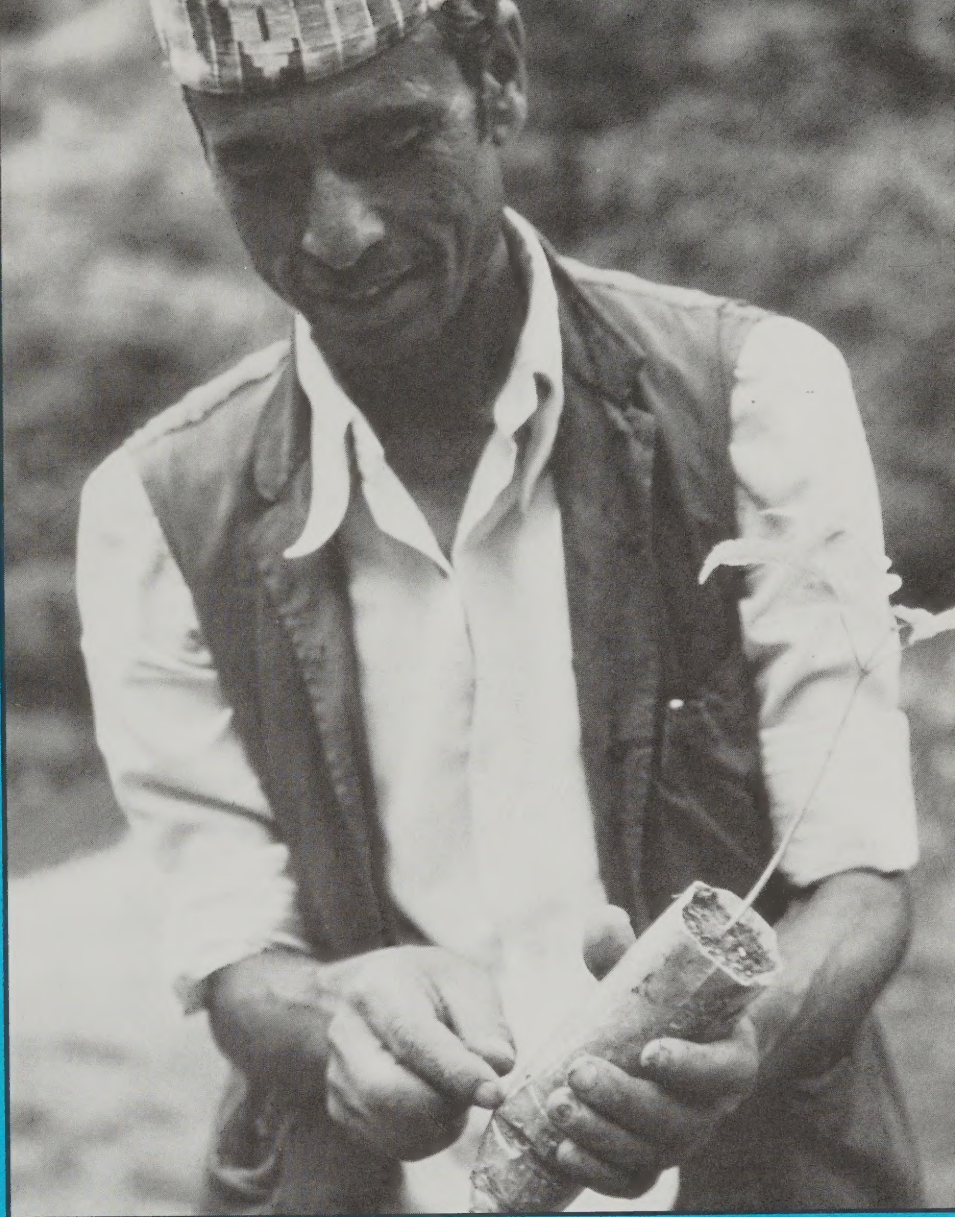
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Country Profile

Nepal

Canada



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PROFILE

Official name	Kingdom of Nepal
Capital	Kathmandu
Tophograph	Landlocked; south basin of ganges, central hills and river valleys and northeren mountains
Climate	Subtropical in south, cool in north, affected by monsoons
Principal crops	Subsistence: rice, wheat, corn, vegetables, jute, livestock
Resources	Mineral: magnesium, zinc, lead, iron ore, tourism, hydro potential, timber
Official language	Nepali
Other languages spoken	Magar, Gurung, Rai, Limbu, Sunwar, Tamang, Newari, Sherpa, Thakali
Ethnic groups	Indo-Ayran (80% of population) - Tarai, Pahari, Newars, Tharus; Tibeto-Nepalese - Tamang, Rai Limbu, Bhote, Sunwar, Magar, Gurung
Religions	Hindu (90%); Buddhist (9%)

<u>Comparative Data</u>	<u>Nepal</u>	<u>Canada</u>
Area	141,000 km ²	9,976,000 km ²
Population (1983)	15.7 million	24.9 million
Population density	115 persons/km ²	2.4 persons/km ²
Urbanization (1983)	7%	75%
Average annual growth rate of population (1973-1983)	8.2%	1.2%
Life expectancy at birth (1983)	46 yrs	76 yrs
Infant mortality (1983)	143/1000 live births	9/1000 live births
Daily calorie supply as % of requirement (1982)	86%	129%

<u>Comparative Data</u>	<u>Nepal</u>	<u>Canada</u>
Adult literacy	23.3%	
- male	34%	99%
- female	12%	
Number enrolled in primary school as % of age group (1982)		
- total	73%	104%
- male	102%	105%
- female	42%	103%
Percentage of labour force in		
- agriculture	93%	5%
- industry	2%	29%
- services	5%	66%
% of population of under 15 (1983)	42.4%	23.2%
GNP/capita (1983)	US \$160	US \$12,310
Annual growth of GNP (1965-1983)	0.1%	2.5%
Inflation rate (1973-1983)	8.1%	9.4%
External public debt as % of GNP (1983)	14.1%	1.35%
Debt service as % of GNP (1983)	0.3%	4.96%
Current account balance (1983)	US \$-143 million	US \$1 380 million
Principal exports	Timber, handicrafts, animal skins, food and live animals	
Principal imports	Textiles, cement, iron, steel, tobacco, beverages, petroleum products	
Exports to Canada	Clothing and textiles	
Imports from Canada	Aircraft, parts and engines, office machines	
Principal trading partners	India, Pakistan, United States, Poland, China, USSR	

Source: World Development Report 1985, World Bank.

COUNTRY PROGRAMS

Canada and Nepal established diplomatic relations in 1965 and have non-resident Ambassadors. The aid programme is the major focus of Canada's relations with Nepal, and has included several large technical assistance projects, resulting in the contracting of some major Canadian consulting firms for services in the fields of aerial survey and mapping, water and energy development and aircraft maintenance.

Beginning in 1971, CIDA has contributed to the RNAC Twin Otter fleet, which constitutes the major domestic service, through the provision of aircraft and parts, and an ongoing program to support maintenance capability and self-sufficiency.

Canadian assistance is either bilateral, or government-to-government loans or grants/contributions, multilateral, through international institutions supported by Canadian funds, or through special programs of support to non-governmental organizations working in the country. The Canadian aid program is administered by the Canadian International Development Agency (CIDA).

CIDA's bilateral assistance to Nepal, one of the United Nations - designated least-developed countries, was less than a million dollars a year during the first part of the 1970s. A regular country program for Nepal was launched by CIDA in 1975-76. Canadian aid disbursements to Nepal in FY 1984/85 were approximately \$8 million and it is expected this level will be maintained in future years. The Nepal program is financed entirely by contributions at the present time.

The principal aims of Nepal's sixth Five Year Plan, 1980/85, have been to accelerate production, increase employment, meet basic needs in food, drinking water, health services, primary education, rural transportation and fuel. The seventh Plan (1985-90) also stresses development of agriculture, small scale industries, the abundant water resources, soil conservation and population control.

The overall goal of Canada's assistance to Nepal is to support the country in its efforts to develop sustainable levels of food and energy production, to train its human resources and to ensure the survival of Nepal's environment and people.

These goals will be pursued through the following objectives:

- (i) to promote rural development and to increase agriculture productivity through a process of integrated rural development in Karnali and Bheri zones, and through other projects targeted to most productive and least destructive land use patterns, and designed to reduce pressure on the environment;

- (ii) to tackle the domestic energy and environmental crisis through institutionalisation of the planning process in the energy sector, and by developing energy supplies appropriate to the needs of rural people;
- (iii) to accelerate its social development through a country program initiative building on existing special programs involvement;
- (iv) to improve its rural transportation strategy by providing assistance in areas where the Canadian technical and commercial capability in Civil Aviation is directly relevant to Nepal's development needs.

CANADIAN ASSISTANCE - CURRENT

BILATERAL

Karnali - Bheri Integrated Rural Development, Phase II

This project's goal is to assist Nepal to increase its capacity for self-sustaining economic, environmental and social improvement. Located in mid-western Nepal, this \$19.7 million initiative will focus on strengthening the productive sectors in rural agriculture, forestry and soil conservation and income-generating activities, over its five-year life span.

Land Resources Mapping Project

This project has assisted Nepal to develop its land use policies by providing accurate information on the current status and potential use of Nepal's land resources. The budget for the project is some \$11.7 million, and final report-writing activities should be completed by mid 1986.

Water and Energy Resources Development Project

The objectives of this project are to assist in the development of overall strategies of water and energy resources exploitation; to improve Nepal's micro/macro planning capabilities for water and energy resources; and to improve the planning capabilities in the electrical subsector through the provision of operational and planning assistance. Currently, in its Third Phase, running from 1984/87, this element of the project will cost \$14.0 million.

Dhankuta Community Medical Auxiliary Training Centre Project

This project aimed to assist Nepal in improving the health of the rural population through the construction of a campus and the design of a curriculum for training para-professional manpower for rural health services. Its budget is \$4.4 million and it is scheduled for completion in 1985/86.

Civil Aviation Project

The objectives of this project are to assist Nepal to expand and strengthen air transportation facilities within the country through the provision of Twin Otter aircraft, pilot training and maintenance advisory services to Royal Nepal Airlines. The project will have disbursed \$5.6 million by the time it is terminated in 1986.

Civil Aviation Maintenance Support

The objectives of this project are to assist Nepal to reduce regional economic disparity through strengthening the Royal Nepal Airlines Company domestic services and facilities. It will cost \$3 million and will run from 1984/87.

MULTILATERAL

CIDA contributes to a number of multilateral agencies which have development projects in Nepal. The United Nations Development Program (UNDP), to which CIDA contributed \$59 million in 1984-85, disbursed \$12.3 million in projects involving watershed management, conservation education, cottage industry commercial and technical services, community forestry development, education for rural development and national agriculture development. UNICEF, which CIDA supported with approximately \$28 million in 1984-85, spent \$5.2 million in Nepal on child health, including immunization, oral rehydration therapy and growth monitoring, nutrition, water and sanitation, formal and non-formal education, women in development activities and social welfare services for children. The World Food Program, to which Canada contributed \$135 million, and the International Emergency Food Reserve, to which Canada contributed \$18.5 million for 1985-86, has a regular program of ten projects in Nepal for a total value of \$61.9 million. The International Fund for Agricultural Development, to which Canada contributed \$75 million, supports activities in irrigation, livestock and credit aimed at improving the efficiency and economic viability of the small farmer.

The Asian Development Bank, to which CIDA's contributions from 1983-84 to 85-86 average \$92 million annually, will expend an estimated \$334 million in Nepal between 1985 and 1987 in agriculture and agro-industry, social infrastructure, energy, transport and communications and water supply projects. The International Development Association affiliate of the World Bank approved credits for Nepal in the following sectors: education, \$8.4 million; agriculture and rural development, \$7.2 million; transportation, \$47.5 million; small-scale enterprises, \$7.5 million and telecommunications \$22 million. Canada contributed \$189 million in paid-in capital and \$1,817 million for IDA credits as of mid-1985.

MISSION ADMINISTERED FUNDS (MAF)

A total of \$71,000 was disbursed on MAF projects in Nepal in 1984/85, mainly in the fields of health/nutrition, potable water/sanitation, appropriate technology, environmental protection/reafforestation, income generation and vocational training. MAF projects are directly administered by the Canadian High Commission in New Delhi.

SPECIAL PROGRAMS BRANCH

The assistance channels of the Special Programs Branch involve direct participation of Canadians in efforts to promote self-reliance and meet basic human needs in developing countries. The Non-Governmental Organization Division (NGO) and the Institutional Cooperation and Development Services Division (ICDS) share the cost of projects in the poorest countries of Asia with private organizations. In 1984/85, CIDA supported a total of 75 NGO projects and disbursed more than \$1 million through Canadian NGOs with projects in Nepal.

All foreign NGOs have to channel funds through the Social Services National Coordinating Council (SSNNCC). However, NGOs have proved they can be very effective in localized areas and in specific sectors such as health, population, potable water supply, agro-forestry, and appropriate technology. The advantages of being able to operate primarily outside government channels and to be able to become immersed in and in tune with a particular cultural environment are of tremendous importance in Nepal.

CARE Canada, for example, received \$135,000 in CIDA contributions for a small farmers' irrigation project; the Tibetan Refugee Aid Society received about \$23,000 for various vocational training and community development projects; and the Unitarian Service Committee (USC) received a contribution of \$175,000 for a variety of income-generating development projects.

Other NGOs active in Nepal include the Presbyterian Church, the Canadian UNICEF Committee, the Sir Edmund Hillary Foundation, Operation Eyesight Universal, Secours and Lépreux, International Sound Foundation, the Mennonite Central Committee, Mennonite Brethren Bomas, Foster Parents Plan of Canada, Assistance médicale internationale, and the Gurkha Welfare Trust. All the Christian NGOs operate under the umbrella of United Missions to Nepal (UMN) which has its own agreement with the government and which administers projects in agriculture, rural development, irrigation, appropriate technology, health and human resource development.

Institutional involvement in Nepal so far has been limited to a number of University of Calgary/Tribhuvan University projects which support a post-graduate training programme in rural practice for doctors through the Institute of Medicine, as well as some assistance for the undergraduate M.B.B.S. program.

CIDA's Industrial Cooperation Division has provided no direct funding to Nepal, although Nepal participates in Technonet Asia and has benefitted from some of its programmes. A recent commitment of \$850,000 for the supply of drilling and survey equipment has been made conditional on a Canadian firm

winning the contract for the Karnali hydro projects feasibility studies. It is expected that more institutions will become involved in Nepal's development, especially in the human resources development area.

Women in Development (WID) Activities in Nepal

Women in Nepal traditionally do not work outside the home. Although in most of the subsistence family farms women do play a major role in both productive activities and decision-making, when it comes to development inputs it is usually the men who are the interface with the outside world. With current social values it is extremely hard for a woman to function alone in an area far from the support of her family environment. Innovative programmes are being developed, among them a CIDA initiative in the second phase of a the K-Bird Project to promote women's economic productivity as well as a broad development communications strategy in the project area.

Other Government Agencies

Petro Canada International may be interested in the oil and gas sector in Nepal. The International Development Research Centre (IDRC) has several projects in rural development, agricultural research, forestry, education, public enterprise and pharmaceuticals for a total cost of just over \$1 million since 1978.

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